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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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IN RE:

**SEARS HOLDING CORPORATION,
INC, et al**

Chapter 11

Case No. 18-23538 (rdd)
(jointly administered)

Debtors.

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**OBJECTION OF GARLLY ASSOCIATES, LP (STORE NO. 447) TO DEBTORS’
NOTICE TO CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Garlly Associates, LP (“Garlly”), by and through its attorneys Reich, Reich & Reich, PC, as and for its objection to the “Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction” (the “Cure Notice”) and Debtors’ Notice of Assumption and Assignment of Additional Designatable Leases (the “Notice of Assumption”)(ECF Docket No. 3298) filed by the above-captioned debtors and debtors-in-possession (the “Debtor”) represents as follows:

1.) On or about October 15, 2018 the Debtor, including Sears, Roebuck & Co. (“Sears”), filed petitions for bankruptcy relief pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtor has continued to operate its business and manage its properties as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2.) Garlly is the Landlord and Sears is the tenant under a lease for the real property located at 2775 W. Miller Road, Garland, Texas (“Property”) dated March 1, 2006, effective as of August 1, 2006 (the “Lease”).

3.) In the schedule attached to the Notice of Assumption, the Lease is listed among the “Additional Designatable Leases” with the proposed assignee identified as Transform Leasco, LLC, an affiliate of the Purchaser (“Purchaser”).

4.) On April 19, 2019 Garlly was served with a “Preliminary Notice” of Mechanic’s and Materialman’s Lien filed by Ryad Consulting, Inc. (“Lienor”) against the Property for amounts due it for materials and/or labor in the amount of \$7,978.19 (“Lien”). A copy the Lien along with the underlying invoice from the Lienor to Sears Holdings Corp., SLS, Inc. is attached hereto as Exhibit A.

5.) Under the Lease, Sears is required to promptly remove and discharge any lien upon the Property.

6.) The Notice of Assumption with respect to Lease provided that the cure amount due under the lease is \$0.00. Garlly objects the Notice of Assumption on the basis that the Lien, which was recently served upon Garlly, needs to be removed and/or discharged prior to the consummation of the assumption and assignment of the Lease to the Purchaser.

7.) Garlly reserves the right to supplement and/or amend this objection prior to the hearing date to include any and all additional unpaid amounts due it under the Lease.

WHEREFORE, Garlly respectfully requests the entry of an order pursuant to 11 U.S.C. §365(b)(1) requiring that prior to assuming and assigning the Lease that the Debtor cure its default under the Lease by removing and/or discharging the Lien, along with such other and further relief as is just and proper.

Dated: White Plains, New York
April 30, 2019

REICH, REICH & REICH, PC
Attorneys for Garlly Associates, LP

By: /s/ Jeffrey A. Reich
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